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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/690,940	10/18/2000	Dean F. Boyer	OHB-0047	5015

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EXAMINER

HARBECK, TIMOTHY M

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 04/07/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/690,940	Applicant(s) BOYER ET AL.	
	Examiner Timothy M. Harbeck	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 February 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 48-86 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 48-86 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 2/17/2006 has been entered.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 48-86 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The term "substantially" in claims 48-78 and "approximately" in claims 79-86 are relative terms which render the claims indefinite. The terms are not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. The examiner cannot determine what constitutes substantially or approximately real time. Is this five seconds, 10 seconds, one minute or less? For this reasons the claims are rendered as indefinite.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 48-52, 54-56, 60-62, 67-71, 73-74, 78-79 and 83 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barber et al (hereinafter Barber US PAT No 4,858,121) in view of Little et al (hereinafter Little US PAT No 5,389,509) in view of Newswire (PR Newswire. "Speedware, Prospective Health Inc., Announce Reseller Agreement." New York: Jan 20, 1998. pg 1; 2 pages).

Re Claim 48: Barber discloses a medical payment system comprising:

- A network (Fig 1; Column 1, lines 63-65)
- A point of service terminal comprising a point of service terminal network interface operably coupled to said network (Column 1, lines 61-65) and adapted to provide an indication of a purchase transaction and a card interface adapted to receive said payment access card for payment of a purchase of at least one service and product to said point of service provider (Column 2, lines 10-14 and Column 4, lines 10-20; see "smart cards"), wherein at least part of said purchase is reimbursable by a third party (Column 2, lines 21-25).

- A payment system comprising payment system network interface operably coupled to said network and adapted to receive said adjudicated settlement transaction, wherein said payment system is adapted to debit, said payment system access card for said third party payment amount to be paid by said third party to reimburse said point of service provider of said covered portion (Column 2, lines 10-25).

Barber does not explicitly disclose:

- An adjudication engine comprising an adjudication network interface operably coupled to said network and adapted to receive said indication of said purchase transaction and produce a adjudicated settlement transaction comprising an indication of a third party payment amount for at least one of medical services or products
- Wherein the steps are accomplished substantially in real time

Little discloses a health care payment adjudication and review system that discloses an adjudication apparatus for health care payments that teaches all the steps of receiving, and producing a settlement for a medical service or product (Figure 1; Column 4, lines 22-43). It would have been obvious to anyone of ordinary skill at the time of invention to include the adjudication apparatus of Little to the payment system of Barber so that insurance claims related to medical procedures and products can be entered and subsequently adjudicated quickly and efficiently on site. This will furthermore reduce the costs of claims processing by insurance companies and standardize insurance claims and medical payment procedures for patients.

Newswire discloses comprehensive software for real-time centralized benefit processing, claims editing, adjudication for benefit management organizations (See abstract). It would have been obvious to anyone of ordinary skill at the time of invention to include the teachings of Newswire to the disclosure of Barber so that medical claims and bills processing is achieved in an efficient and expedited manner. Barber cites this as the primary goal of his system (Column 2, lines 32-33), so any addition that would move the claims processing closer to real time would be ideal.

Re Claim 49: Little does not explicitly disclose wherein the point of service terminal is located at a pharmacy. However, Little does disclose that the method and apparatus of his invention is intended for payment requests associated specifically with the health care industry (Column 4, lines 23-43). It was well known in the art at the time of invention that if a patient were to receive medication, he or she would need to visit a pharmacy to fill a prescription and would also be paying for this prescription at the pharmacy. It would be obvious then to place a point of service terminal at the pharmacy because this is the transaction is to take place and where the system and apparatus would be best utilized. It was also true that, at the time of invention, many physicians offices, specifically large HMO's have a pharmacy on the premises, so if the point of service terminal was located at the physicians office as disclosed by Barber (Column 1, lines, 63-65) it would also be located at the pharmacy.

Re Claim 50: Barber further discloses wherein the point of service terminal is located in a physician office (Column 1, lines 63-65).

Re Claim 51: Little further discloses wherein said purchase transaction includes at least one product identifier (Column 2, lines 7-10) which said adjudication engine compares to payment parameters and conditions to determine the value of said covered portion of said purchase to be paid by the third party (Column 7, lines 10-26).

Re Claim 52: Little further discloses a system wherein said purchase transaction includes at least one service code which said adjudication engine compares to payment parameters and conditions from the third party to determine the value of said covered portion of said purchase to be paid by the third party (Column 9 line 66-Column 11 line 45). Little discloses the use of a Masterlist as a reference for the third party for adjudication of a payment request. The service code is defined by Little as current procedural terminology (CPT), and the procedure performed on the patient is compared to the CPT from the Masterlist to determine appropriate payment procedures.

Re Claim 54: Newswire further disclose wherein said network comprises at least one Internet connection (page 2, paragraph 2)

Re Claim 55: Little further discloses a system wherein said adjudication engine comprises a data driven rules engine comprising an interface for at least one of receiving and processing data from the customer, the point of service provider, the third party and the payment system to determine the covered portion of the payment to be paid by the third party (Column 6 line 44- Column 7 line 9).

Re Claim 56: Barber further discloses a system wherein said payment access card comprises an identification of a beneficiary and a financial card information (Column 4, line 11-34); wherein said payment system further comprises an adjudicated

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settlement transaction adapted to be received by a financial network (Column 7, lines 42-50).

Re Claims 60-62: Further method claims would have been obvious to perform in light of previously rejected system claims 48-50 respectively and are therefore rejected using the same art and rationale.

Re Claims 67-71, 73-74: Further method claims would have been obvious to perform in light of previously rejected system claims 48-51, 54 and 56 respectively and are therefore rejected using the same art and rationale.

Re Claim 78: Barber / Little / Newswire discloses the claimed method supra and Barber further discloses transferring funds in accordance with said adjudicated transaction to said point of service (Column 2, lines 21-25).

Re Claim 79: Further computer data signal claims would have been obvious in order to implement the previously rejected method claim 60 in the previously rejected system and is therefore rejected using the same art and rationale.

Re Claim 83: Further point of service terminal method would have been obvious to implement from previously rejected system claim 48 and is therefore rejected using the same art and rationale.

Claims 53, 57-59, 63-66, 72, 75-77, 80-82 and 84-86 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barber in view of Little in view of Newswire as applied to claim 24 above, and further in view of Sackler et al (hereinafter Sackler, US Pat No 5,235,507).

Re Claim 53: Barber / Little / Newswire discloses the claimed system supra except for the explicit disclosure wherein said purchase includes at least one co-payment amount. Sackler discloses a health insurance management system wherein a policy having a separate deductible amount for each treatment, and/or having different levels of co-payment, could be accommodated without altering the essential nature of the system (Column 3, lines 46-49). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the co-payment portion of the claim taught by Sackler to the system of Little in view of Barber, because many health insurance plans have a co-payment amount that the patient is responsible for covering, and the system would encompass a greater number of people if this feature were available.

Re Claim 57: Barber / Little / Newswire discloses the claimed system supra except for the explicit disclosure wherein said adjudication engine calculates a non-covered portion which is to be paid by one of a beneficiary and a customer. Sackler discloses a health insurance management system wherein the system has means for calculating the amount to be paid to the health care provider, means for paying the provider, means for calculating the payment required by the claimant, which is the non covered portion (Column 1, lines 50-57). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the calculation of the non-covered portion of the claim taught by Sackler to the system of Little in view of Barber, because many health care plans cover claims up to a certain point which may not cover

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the entire procedure. There must then be a way to calculate the remaining charges or else the service provider will not be paid the excess amount to which they are entitled.

Re Claim 58: Sackler further discloses a system wherein said payment system charges the payment system access card for said non-covered portion that is to be paid by said one of a beneficiary and said customer to pay said service provider said non-covered portion (Column 3, lines 20-32).

Re Claim 59: Sackler further discloses a system wherein said payment system charges a personal credit card of said beneficiary and said customer for said non-covered portion that is to be paid by the customer (Column 3, lines 20-32).

Re Claims 63-66: Further method claims would have been obvious in order to perform previously rejected system claims 56-59 and are therefore rejected using the same art and rationale.

Re Claims 72 and 75-77: Further method claims would have been obvious in order to perform previously rejected system claims 53 and 57-59 respectively and are therefore rejected using the same art and rationale.

Re Claims 80-82: Further computer data signal claims would have been obvious in order to implement the previously rejected method claims 57, 59 and 53 respectively in the previously rejected system and is therefore rejected using the same art and rationale.

Re Claims 84-86: Further point of service terminal claims would have been obvious to implement from previously rejected system claims 57-59 and are therefore rejected using the same art and rationale.

Response to Arguments

Applicant's arguments with respect to claims 24-47 have been considered but are moot in view of the new ground(s) of rejection and because the applicant has canceled the claims for which arguments were presented.

However, the examiner will address some of the arguments since they still pertain to the new claims. With respect to the arguments of "substantially in real time," a new reference has been added as well as a rejection for the indefiniteness of the terms "substantially," and "approximately." Regardless the new cited art shows this limitation.

With regards to the applicant's contention that Barber does not show a payment system access card, examiner will refer to Barber; Column 4, lines 11-20. Barber discloses both identity cards and credit cards but furthermore discloses smart cards, which are notoriously well known to function with both identity and transaction processing operations.

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

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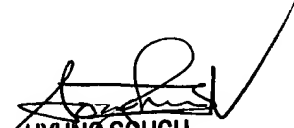
Furthermore most of the arguments center on the issue of "real time" and the merits of the terms "substantially" and "approximately." However, in light of the new grounds of rejections, these arguments are now moot.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Souh can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


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